

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|----------------------------------|---|------------------|
| THE NOTICE OF PURCHASED GAS |) | CASE NO. 9918-PP |
| ADJUSTMENT FILINGS OF MT. OLIVET |) | AND |
| NATURAL GAS COMPANY, INC. |) | CASE NO. 9918-QQ |

O R D E R

On August 10, 1987, the Commission issued its Order in Case No. 9918 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On November 1, 1989, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") received an increase in rates from its supplier, Columbia Gas Transmission Corporation ("Transmission"), to \$3.5755 per Dth. The Commission allowed the increase to be passed through in rates to Mt. Olivet's retail customers effective December 18, 1989.¹

On December 14, 1989, Mt. Olivet notified the Commission that its wholesale cost of gas was increased by Transmission to \$3.5785 per Dth, effective December 1, 1989. Also on December 14, 1989, Mt. Olivet notified the Commission of a decrease in Transmission's

¹ Case No. 9918-00, The Notice of Purchased Gas Adjustment Filing of Mt. Olivet Natural Gas Company, Inc., Order dated December 18, 1989.

rate to \$3.5766 per Dth effective January 1, 1990. Mt. Olivet submitted with its notices certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

(1) Mt. Olivet's notices of December 14, 1989 set out certain revisions in rates which Mt. Olivet proposed to place into effect, said rates being designed to pass on the wholesale increases in price from its supplier.

(2) Transmission filed revised rates with the Federal Energy Regulatory Commission to be effective December 1, 1989 and January 1, 1990. These rates are subject to refund. The cumulative effect upon Mt. Olivet's rates of the two adjustments is an increase of \$45 or 0.11 cents per Mcf.

(3) Mt. Olivet requested a waiver of the 30-day filing requirement. Pursuant to KRS 278.180, upon Mt. Olivet's showing of good cause, Mt. Olivet's effective date for the increase may be 20 days from the filing date. Transmission's rates are subject to refund; therefore, Mt. Olivet's rates should be subject to refund.

(4) Mt. Olivet incorrectly calculated its proposed rates using rates as proposed rather than approved in Case No. 9918-00. Hence, the rates proposed by Mt. Olivet should be denied.

(5) Mt. Olivet's corrected adjustment in rates, as filed on December 14, 1989, under the purchased gas adjustment provisions

approved by the Commission in its Order in Case No. 9918 dated August 10, 1987 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after the date of this Order, subject to refund.

(6) Mt. Olivet has based its rate adjustment on gas purchases for calendar year 1987. Mt. Olivet should use purchases data for the most recently available 12-month period in calculating all future purchased gas adjustments filed with this Commission.

IT IS THEREFORE ORDERED that:

(1) The rates proposed by Mt. Olivet in its notices of adjustment are denied.

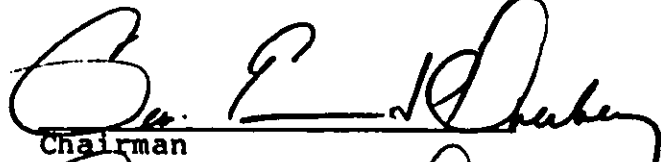
(2) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after the date of this Order, subject to refund.

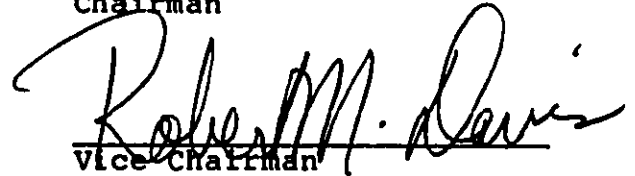
(3) Mt. Olivet shall use current data in calculating all future purchased gas adjustments.

(4) Within 30 days of the date of this Order, Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 3rd day of January, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NOS. 9918-PP AND 9918-QQ DATED 1/03/90.

The following rates are prescribed for the customers served by Mt. Olivet Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Rates: Monthly

| | | | |
|-------|----------------------------------|--------|----------------|
| First | 1,000 cu. ft. or less | \$6.77 | (Minimum Bill) |
| Next | 4,000 cu. ft. per 1,000 cu. ft. | 5.0424 | |
| Next | 5,000 cu. ft. per 1,000 cu. ft. | 4.8424 | |
| Next | 10,000 cu. ft. per 1,000 cu. ft. | 4.6924 | |
| Over | 20,000 cu. ft. per 1,000 cu. ft. | 4.4924 | |

The base rate for the future application of the purchased gas adjustment clause of Mt. Olivet Natural Gas Company, Inc. shall be:

| | <u>Demand</u> | <u>Commodity</u> |
|---------------------------------------|---------------|------------------|
| Columbia Gas Transmission Corporation | - | \$3.5766 per Dth |